

HOUSE BILL REPORT

HB 1336

As Reported by House Committee On:
Labor & Workplace Standards

Title: An act relating to the social security offset to disability compensation.

Brief Description: Restricting the social security offset to disability compensation.

Sponsors: Representatives Kirby, Sells and Appleton.

Brief History:

Committee Activity:

Labor & Workplace Standards: 1/23/17, 1/31/17 [DP].

Brief Summary of Bill

- Eliminates the Social Security retirement offset for injured workers who either were receiving or had applied to receive Social Security benefits before being injured.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: Do pass. Signed by 4 members: Representatives Sells, Chair; Gregerson, Vice Chair; Doglio and Frame.

Minority Report: Do not pass. Signed by 3 members: Representatives Manweller, Ranking Minority Member; McCabe, Assistant Ranking Minority Member; Pike.

Staff: Joan Elgee (786-7106).

Background:

Under the state's industrial insurance laws, injured workers are entitled to various benefits. Temporary time-loss benefits provide partial wage replacement for the time period in which a worker is totally disabled. If a worker becomes totally permanently disabled or suffers specified catastrophic injuries, the worker is entitled to total permanent disability benefits, also referred to as a pension.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Federal and state laws address the coordination of benefits under Social Security disability benefits and industrial insurance. Federal law limits the combined total of Social Security disability and industrial insurance benefits to 80 percent of the worker's average current earnings before disability. In 1986, legislation was enacted requiring an offset of Social Security retirement benefits. The offset formula is very similar to the formula for combined Social Security disability and industrial insurance benefits.

Summary of Bill:

The Social Security retirement offset from industrial insurance benefits does not apply to workers who either were receiving or had applied to receive Social Security retirement benefits before being injured. The change applies to future claims, that is, those of workers with dates of injury on or after the effective date.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The bill is a simple fix and a matter of fairness. Some people are still working while they receive Social Security because they cannot live on Social Security alone. If they get hurt, they are punished because they lose their workers' compensation benefits due to the offset and are back to living on Social Security. The bill is the watered down version of prior bills.

(Opposed) The bill is opposed.

Persons Testifying: (In support) Representative Kirby, prime sponsor; David Lauman, Washington State Association for Justice; and Joe Kendo, Washington State Labor Council, AFL-CIO.

(Opposed) Bob Battles, Association of Washington Business.

Persons Signed In To Testify But Not Testifying: None.